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U.S. DISTRICT COURT
INDIANAPOLIS DIVISION
2013 JUL 11 PM 4:34
SOUTHERN DISTRICT
OF INDIANA
LAURA A. BRIGGS
CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF INDIANA

American Petroleum Institute,

Plaintiff,

v.

Bullseye Automotive Products Inc.,
Bullseye Lubricants Inc.,
and Carlos Silva

Defendants.

Civil Action No. 1:13-cv-1112 TWP -DML

COMPLAINT

As its Complaint in this action, Plaintiff American Petroleum Institute ("API"), by its undersigned counsel, alleges as follows:

NATURE OF THE CASE

1. This is an action for trademark infringement, counterfeiting, trademark dilution, false advertising, and unfair competition, under federal, state, and/or common law. API brings this action because Defendants have without authorization manufactured, distributed, transported, and/or sold motor oil bearing imitations of API's certification marks and/or trademarks, and have made false claims to consumers that their sub-standard motor oil meets API's performance standards.

2. No legitimate reason exists for Defendants' unauthorized use of API's certification marks and/or trademarks. Defendants are not currently licensed by API to use its certification marks. Despite the absence of a license, Defendants have offered, sold, transported

and distributed motor oil bearing imitations of API's certification marks and trademarks with full knowledge of and reckless disregard for API's rights and with the intention of deceiving the public; and unfairly trading on the goodwill of API and its marks.

JURISDICTION AND VENUE

3. This Court has jurisdiction over the subject matter of this action pursuant to 15 U.S.C. §§ 1114, 1116, 1121, and 1125(a) and 28 U.S.C. §§ 1331, 1332, 1338(a), 1338(b), and 1367. This matter in controversy exceeds the sum or value of $75,000, exclusive of attorneys' fees and costs. Jurisdiction over the state law claim is also appropriate under 28 U.S.C. § 1367(a) and principles of supplemental jurisdiction because those claims are substantially related to the federal claims.

4. This Court has personal jurisdiction over the Defendants and venue is proper in the Southern District of Indiana pursuant to 28 U.S.C. § 1391(b) because the activity about which API complains has taken place and is continuing to take place in this District, including but not limited to Defendants' use of counterfeit, infringing, and dilutive marks for their products, which are promoted, directed, and/or sold to consumers and potential consumers in this District by Defendants.

THE PARTIES

5. Plaintiff API is a District of Columbia corporation whose principal place of business is at 1220 L Street, N.W., Washington, D.C. 20005. API is the nation's leading trade association for the petroleum and natural gas industry.

6. Defendant Bullseye Automotive Products Inc. (also doing business as Bullseye Lubricants Inc.) is an Illinois corporation whose principal place of business is at 6131

Washington Street, Chicago Ridge, Illinois 60415. Bullseye Automotive Products Inc. is in the business of selling engine oil.

7. Defendant Carlos Silva ("Silva") is a citizen of Illinois whose mailing address is at 6131 Washington Street, Chicago Ridge, Illinois 60415. Silva is listed as Defendants' president.

8. Collectively, Bullseye Automotive Products Inc., Bullseye Lubricants Inc., and Silva are referred to as "Bullseye."

API AND ITS CERTIFICATION MARKS

9. API is the leading trade association for the petroleum and natural gas industry in the United States. API was established to afford a means of cooperation between the industry and the government in all matters of national concern, foster foreign, and domestic trade in American petroleum products, promote the interests of the petroleum industry, and promote the improvement of its members, and the study of the arts and sciences connected with the oil and gas industry.

10. For more than ninety years, API has used the trademarks and trade names AMERICAN PETROLEUM INSTITUTE and API, together with its certification marks, for a wide variety of products, services, and programs aimed at the promotion, development, and improvement of the petroleum and natural gas industry.

11. Since 1947, API has published engine oil standards for automotive and heavy-duty diesel engines. API's passenger vehicle engine oil standard, API 1509, is regularly revised to reflect the best current technologies for engine protection, and is now in its 17^{th} edition.

12. Since approximately 1971, API recognized engine oil categories as outlined in API's updated and current "Motor Oil Guide," included as Exhibit A to this Complaint.

13. Since 1985, API has operated a certification program for engine oils designed to define, certify, and monitor engine oil performance deemed necessary for satisfactory equipment life and performance by vehicle and engine manufacturers, as well as consumers. API's *Engine Oil Licensing and Certification System* ("EOLCS") is a voluntary licensing and certification program that authorizes engine oil marketers that meet specified requirements to use the API Quality Marks.

14. EOLCS-licensed engine oils are tested on a variety of performance standards, as outlined in API 1509. Engine oils that meet the standards may be identifed by the performance standard designation developed by API, namely the API Service Category designation of "S__.". Each advance in engine oil technology is reflected in a change of requirements and the second letter of the "S__" designation, which began with the letter A and has progressed alphabetically through the years. For example, the initial API Service Category SA designation reflects the necessary performance requirements for engines manufactured before 1930, and the API Service Category SC designation reflects the necessary performance requirement by auto manufacturers for engines manufactured before 1967. The current API Service Category Designation is "SN."

15. To establish that an oil meets an API Service Category, a manufacturer must run engine tests on an oil formulation to prove the formula's ability to meet the API performance standards. These tests are run with specified engine models that are in use by consumers. As the specified engines or their replacement parts become obsolete or unavailable, the tests can no longer be run to determine performance. API regularly revises its standards to identify the API Service Categories that rely on tests that are unavailable and cannot actually be run, and designates these API Service Categories as "obsolete." Currently, the only API Service

Categories for which tests can be run are SJ, SL, SM, and SN, meaning all prior categories (such as API Service Category SC) have been designated as "obsolete."

16. API sets engine oil standards in an open, transparent process that includes all interested parties, including oil companies, oil additive companies, and vehicle and engine manufacturers. The performance requirements and test methods referenced in API engine oil standards are established by vehicle and engine manufacturers and technical societies and trade associations such as the American Society for Testing and Materials (ASTM), Society for Automotive Engineers (SAE), and American Chemistry Council (ACC).

17. API licenses those who meet API's engine oil requirements to advertise this compliance by affixing the following famous, registered certification mark to the containers for their goods:

API Certification Mark "Starburst"

18. The API Starburst is a federally registered certification mark (Reg. No.1864428) used exclusively in connection with the certification of engine oils for motor vehicles in International Class A. A true and correct copy of this registration is attached as Exhibit B.

19. Pursuant to 15 U.S.C. §1115(a), API's federal registration identified above in Paragraph 18 constitutes *prima facie* evidence of API's exclusive nationwide ownership of the registered mark. Moreover, this registration has become incontestable and thus constitutes conclusive evidence of API's exclusive right to the registered mark.

20. API also has common law rights in the following certification mark:

21. Collectively, the registered and common law marks referred to in Paragraphs 17 and 20 are herein referred to as the "API Starburst."

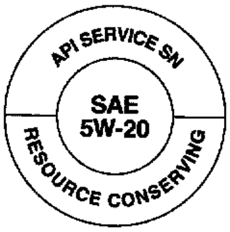
22. API also licenses those who meet API's engine oil requirements to advertise this compliance by affixing the following famous registered certification mark to their goods:

API Service Symbol "Donut"

23. The API Donut is a federally registered certification mark (Reg. Nos. 1868779 and 1872999) used exclusively in connection with the certification of engine oils for motor vehicles in International Class A. True and correct copies of these registrations are attached as Exhibit C.

24. Pursuant to 15 U.S.C. §1115(a), API's federal registrations identified above in Paragraph 23 constitute prima facie evidence of API's exclusive nationwide ownership of those registered marks. Moreover, both registrations have become incontestable and thus constitute conclusive evidence of API's exclusive right to those registered marks.

25. API also has common law rights in the following certification mark:



26. Collectively, the registered and common law marks referred to in Paragraphs 22 and 25 are referred to as the "API Donut."

27. Currently, over 500 entities are licensed to use the API Starburst with more than 10,500 individual oil brands and formulations. These licensees must provide individual oil formula test results to API to be licensed, and submit to an ongoing monitoring and enforcement program that ensures that licensees adhere to the program requirements, the After-Market Audit Program (or "AMAP"). API's AMAP takes regular field samples of oils offered for sale across the country, then runs physical, chemical, and performance tests on licensed engine oils to ensure they meet their performance claims. API verifies that engine oil packages convey accurate API Service Category performance information to consumers and properly display the API Starburst. If an AMAP-audited engine oil does not match the physical and chemical data on file with API, the licensee is required to evaluate the nonconformity and take appropriate corrective action, up to, and including, a product recall.

28. API's passenger vehicle engine oil standard, API 1509, attached as Exhibit D, describes the program's requirements, explains the current engine oil standards, shows how the API Starburst is to be used, and explains the monitoring and enforcement process.

29. Manufacturers that can properly establish compliance with the API requirements are licensed to display the API Starburst and API Donut on containers and packages of motor oil sold to the public. Appropriately licensed API Starburst and API Donut certification marks have

appeared on hundreds of millions of containers of engine oil sold over the years and have become famous.

30. API's EOLCS certification program and the related API Starburst and API Donut are of vital importance to engine oil manufacturers, marketers, and consumers. Automobile owners' manuals routinely recommend oils bearing the API Starburst and API Donut for maintenance. An engine oil bearing these API certification marks informs purchasers that the oil: (a) can be mixed with other API Starburst oils without harming performance, (b) has been formulated pursuant to recognized performance standards that are designed to ensure purity and reliability, and (c) meets industry standards that are designed to ensure that engines perform in a safe, efficient, and appropriate manner and thereby reduce the potential for engine damage and maximizes engine performance. In short, end consumers rely on the API Starburst and API Donut to be certain that the engine oil they purchase will perform as intended in accordance with industry standards.

31. Engine oils that do not meet API's requirements or have not been certified as meeting API's requirements may not be as reliable or safe as engine oil that has been confirmed to meet API's performance and quality standards. The use of the API Starburst and API Donut on engine oil bottles containing engine oils that fail to meet API's performance and quality requirements will mislead end users as to the quality and performance of the engine oil. The use of such uncertified oil by unsuspecting end users could result in expensive engine damage or failure.

WRONGFUL ACTS OF DEFENDANTS

A. Overview

32. Bullseye does not currently produce, and has never produced, engine oil that is certified by API. Bullseye has never been authorized to use the API Starburst or the API Donut.

33. Despite the fact that its engine oil was not certified by API, Bullseye has been selling oils bearing two separate counterfeit versions of the API certification marks. The labels for these Bullseye products also bore false claims and misleading statements suggesting that the products met specific API service category performance levels or were otherwise appropriate for current model automobiles.

B. Bullseye Automotive Products' Old Label—The First Bullseye Counterfeit Starburst

34. Up until at least June 2012, and possibly later, Bullseye was producing motor oils bearing labels featuring counterfeit imitations of the API Starburst (the "First Bullseye Counterfeit Starburst") and falsely suggesting that the products met API's standards and were appropriate for current model automobiles (see Exhibits E and F).

35. The First Bullseye Counterfeit Starburst featured on the front label of the Bullseye motor oil includes the wording "For Gasoline Engines" at the center. This is the same wording, placed in the same location, as the genuine API Starburst. Additionally, the back label includes the wording "Bullseye Automotive Products Inc." and "Made in the U.S.A." in the outer ring of Bullseye Counterfeit Starburst. This wording is placed in the same location as the words "American Petroleum Institute" and "certified" on the API Starburst.

36. The back label for the Bullseye motor oil shown in Exhibit F states in text that it is "designed for use in automobiles requiring SC/CC specifications." This statement falsely indicates that the Bullseye product meets API's SC service category for engine oils. The SC category has been obsolete for many years and was used to identify engine oils designed for cars made between 1964 and 1967. The prerequisite engine tests necessary to confirm compliance have not been available since the early 1970s. Consequently, Bullseye could not conduct any of

the testing necessary to establish its claim that its product met the SC service category performance level.

37. API and automobile manufacturers advise against using oils meeting only the SC service category in automobiles manufactured after 1967 because use of such obsolete oil may cause unsatisfactory performance or engine harm to more recently manufactured automobiles. Despite this, Bullseye's labels contained no warning that its engine oil, even if it did meet the SC service category, was inappropriate for automobiles manufactured after 1967.

38. Bullseye-branded bottles of oil containing the First Bullseye Counterfeit Starburst, with the labels shown in Exhibits E and F, were purchased by API in Indianapolis, Indiana; Columbus, Ohio; and Youngstown, Ohio. These bottles of oil were sent for testing to an independent laboratory, which determined that the oil failed to meet the basic requirements for compliance with API's performance standard designations for any API service category (including the SC service category). In fact, the tests showed that most of the samples of Bullseye's oil with the First Bullseye Counterfeit Starburst contained elements and contaminants indicating the oil had been previously used and was of such poor quality that it could damage automobile engines.

39. Despite the fact that the engine oil was not certified by API, did not meet any API Service Category requirements, and was not appropriate for current model automobiles, Bullseye designed the First Bullseye Counterfeit Starburst label so that it falsely stated or suggested that the product is API certified, meets one of API's "S__" standard, and is appropriate for current model automobiles. Bullseye intended to advertise, sell, distribute, and transport engine oil bearing this label in U.S. commerce.

C. Bullseye Automotive Products' New Label—The Second Bullseye Counterfeit Label

40. Upon learning of the problem Bullseye labels described above, API attempted to contact Bullseye, but encountered significant difficulty doing so because of the out-of-date, incomplete, and/or inaccurate contact information on the Bullseye labels and in other public records. API was eventually able to locate the address in Chicago Ridge, Illinois referred to in Paragraph 6 and wrote to Bullseye demanding that it cease infringing the API Starburst certification mark and cease making the false and misleading claims regarding the SC service category for its product. Bullseye failed to comply with API's demands.

41. Shortly after API contacted Bullseye, Bullseye altered its labels, as shown in Exhibit G (the "Second Bullseye Counterfeit Starburst"). Bullseye did not seek or receive API's approval for the new labels. These new labels continue to use a Starburst-like graphic in the lower right corner that is confusingly similar to the API Starburst. In fact, the graphic is nearly identical to the Bullseye Counterfeit Starburst shown in Exhibits E and F, as both are circular and contain the phrase "For Gasoline Engines" at the center. Moreover, to the extent that the Second Bullseye Counterfeit Starburst is a more smooth-edged circle, it is also confusingly similar in appearance to the API Donut.

42. Bullseye's altered labels also continue to falsely state that Bullseye's oil is intended "for use with automobiles requiring SC/CC specifications" and continue to omit any warning about using the product for automobiles manufactured after 1967.

43. Bullseye-branded bottles of oil bearing the Second Bullseye Counterfeit Starburst were purchased by API in Indianapolis, Indiana; Lansing, Michigan; and Youngstown, Ohio. These bottles of oil were sent for testing to an independent laboratory, which determined that the oil failed to meet the basic requirements for compliance with API's performance standard

designations for any API service category (including the SC service category). In fact, the tests showed that some of the Bullseye oil bearing the Second Bullseye Counterfeit Starburst contained elements and contaminants indicating the oil had been previously used, and some contained no required additives whatsoever, meaning all the samples were of such poor quality that they could damage automobile engines.

44. Despite the fact that the engine oil was not certified by API, did not meet any API Service Category requirements, and was not appropriate for current model automobiles, Bullseye designed the Second Bullseye Counterfeit Starburst label so that it falsely stated or suggested that the product is API certified, meets one of API's "S__" standard, and is appropriate for current model automobiles. Bullseye intended to advertise, sell, distribute, and transport engine oil bearing this label in U.S. commerce.

INJURY TO API AND THE PUBLIC

45. Defendants' use of the Bullseye Counterfeit Starbursts, along with their false and misleading suggestions that their products are API certified and qualify for API's Starburst and Service Category "S__" designation will irreparably injure API, its marks, the goodwill associated with its marks, and its reputation as the certifier of high-quality standards.

46. Defendants' actions described above are likely to cause confusion, mistake, or deception as to the source or origin of Defendants' goods; are likely to falsely suggest a certification, connection, sponsorship, license, approval, and/or association of Defendants and Defendants' goods with API.

47. Defendants' use of the Bullseye Counterfeit Starburst, along with their false suggestion that its products are API certified with the API Starburst and qualify for API's Service Category "S__" designation harm the public by causing engine damage or failure.

48. Defendants' misleading failure to warn consumers that use of their products for automobiles manufactured after 1967 harms the public by causing engine damage or failure.

49. API has no adequate remedy at law.

FIRST CLAIM FOR RELIEF
TRADEMARK COUNTERFEITING UNDER
SECTIONS 32(1)(a) AND 34(d) OF THE LANHAM ACT
15 U.S.C. §§ 1114(1)(a) AND 1116 (d)

50. API repeats and realleges the allegations set forth in each of the paragraphs above.

51. In their use of the Bullseye Counterfeit Starbursts, Defendants have copied the API Starburst identified in this Complaint.

52. The Bullseye Counterfeit Starbursts are identical to or substantially indistinguishable from the registered genuine API Starburst.

53. Defendants' willful and deliberate actions constitute counterfeiting of API's federally registered marks, in violation of Sections 32(a), and 34(d) of the Lanham Act, 15 U.S.C. §§ 1114(a), 1116(d), and 1127, and cause damage to API.

SECOND CLAIM FOR RELIEF
TRADEMARK INFRINGEMENT UNDER
SECTION 32(1) OF THE LANHAM ACT
15 U.S.C. § 1114 (1)

54. API repeats and realleges the allegations set forth in each of the paragraphs above.

55. Defendants' actions described above have caused, and are likely to cause, confusion, mistake, or deception of the public as to the source, certification, sponsorship, quality, and/or approval of Defendants' goods.

56. Defendants' willful and deliberate actions constitute willful infringement of each of API's federally registered marks identified in this Complaint, in violation of Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1).

THIRD CLAIM FOR RELIEF
FALSE ADVERTISING AND UNFAIR COMPETITION UNDER SECTION 43(a)(1)(A) OF THE LANHAM ACT
15 U.S.C. § 1125 (a)(1)(A)

57. API repeats and realleges the allegations set forth in each of the paragraphs above.

58. The aforesaid willful and deliberate acts of Defendants are likely to cause confusion, mistake, or deception as to the certification, origin, sponsorship, and/or approval of Defendants' goods with API, and thus constitute false advertising and false designations of origin in violation of Section 43(a)(1)(A) of the Trademark Act of 1946, as amended, 15 U.S.C. § 1125(a)(1)(A).

FOURTH CLAIM FOR RELIEF
FALSE ADVERTISING AND UNFAIR COMPETITION UNDER SECTION 43(a)(1)(B) OF THE LANHAM ACT
15 U.S.C. § 1125 (a)(1)(B)

59. API repeats and realleges the allegations set forth in each of the paragraphs above.

60. The aforesaid willful and deliberate acts of Defendants misrepresent the nature, characteristics, or qualities of their goods and commercial activities, and thus constitute false advertising and false designations of origin in violation of Section 43(a)(1)(B) of the Trademark Act of 1946, as amended, 15 U.S.C. § 1125(a)(1)(B).

61. The aforesaid willful and deliberate acts of Defendants also constituted a false representation on containers of used oil that such oil was substantially equivalent to new oil for use as engine oil, when such representations were not based on a determination that such used oil was the substantial equivalent to new oil for use as engine oil in accordance with NIST test procedures found at 16 CFR 311.4.

FIFTH CLAIM FOR RELIEF
TRADEMARK DILUTION
UNDER SECTION 43(c) OF THE LANHAM ACT
15 U.S.C. § 1125 (c)

62. API repeats and realleges the allegations set forth in each of the paragraphs above.

63. Based on the inherent distinctiveness of the API Starburst and API Donut; API's duration and extent of use of the marks; its duration and extent of advertising featuring the marks; the geographic areas in which it has sold, rendered, advertised, and/or certified goods and services featuring the marks; the amount and volume of sales under the marks; the degree of public recognition of the marks; and the federal registration of the marks, the API Starburst and API Donut have become famous, as that term is used in Section 43(c) of the Lanham Act.

64. The aforesaid willful and deliberate acts of Defendants, all occurring after the API Starburst and API Donut became famous, are likely to dilute API's famous marks by creating an association between API and Defendants or Defendants' products that would impair the distinctiveness of the API Starburst and API Donut in violation of Section 43(c) of the Trademark Act of 1946, as amended, 15 U.S.C. § 1125(c).

65. The aforesaid willful and deliberate acts of Defendants, all occurring after the API Starburst became famous, are likely to dilute API's famous marks by creating an association between API and Defendants and Defendants' products that is likely to harm API's reputation in violation of Section 43(c) of the Trademark Act of 1946, as amended, 15 U.S.C. § 1125(c).

SIXTH CLAIM FOR RELIEF
TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION
UNDER COMMON LAW

66. API repeats and realleges the allegations set forth in each of the paragraphs above.

67. Defendants are explicitly and implicitly passing off their products as being certified by API and/or made by authorized API licensees, thus causing injury to API's business and reputation.

68. The aforesaid acts of Defendants constitute common law trademark infringement, passing-off, misappropriation of API's goodwill, and unfair competition in Indiana and other states where Defendants' offer, sell, distribute, and/or advertise their goods, including this District, thereby causing a likelihood of confusion in violation of the common law of Indiana, and laws of other states, by reason of which API has suffered, and will continue to suffer, irreparable and pecuniary injury.

SEVENTH CLAIM FOR RELIEF
VIOLATION OF INDIANA CONSUMER PROTECTION ACT
UNDER IND. CODE §24-5-0.5-3(a)(7)

69. API repeats and realleges the allegations set forth in each of the paragraphs above.

70. The aforesaid willful and deliberate acts of Defendants constitute unfair, unconscionable, and deceptive acts by causing a probability of confusion or misunderstanding as to the sponsorship, approval, or affiliation of Defendants goods in violation of Indiana Consumer Protection Act. Ind. Code § 24-5-0.5-3(a)(7).

PRAYER FOR RELIEF

WHEREFORE, API prays that this Court enter judgment in its favor on each and every claim for relief set forth above and award it relief including, but not limited to, the following:

A. A preliminary and permanent injunction enjoining Defendants, their officers, directors, employees, agents, subsidiaries, related companies, representatives, distributors, dealers, and all persons in active concert or participation with any of them from using in any form or manner the API Starburst, the name and mark American Petroleum Institute, the name and mark API, and any confusingly similar or dilutive marks or names, including but not limited to the Bullseye Counterfeit Starbursts.

B. A preliminary and permanent injunction enjoining Defendants, their officers, directors, employees, agents, subsidiaries, representatives, distributors, dealers, and all persons in active concert or participation with any of them, from taking any actions that falsely suggest that Defendants and/or Defendants' products are certified, licensed, or approved by API or otherwise meet any of API's standards or specifications, including but not limited to the API "S__" designation.

C. Awarding API monetary relief including damages sustained by API in an amount not yet determined but believed to be well in excess of Seventy-Five Thousand Dollars, pursuant to 17 U.S.C. § 1117(a)-(b).

D. Awarding API statutory damages of $1,000,000 per counterfeit mark per type of goods sold pursuant to 15 U.S.C. § 1117(c)(2).

E. Ordering the seizure of Defendants' counterfeit goods, counterfeit packaging, the means of making the counterfeit goods and marks, and records documenting the manufacture, sale, or receipt of things involved in such violation, all pursuant to 15 U.S.C. § 1116(d).

F. Ordering the destruction of Defendants' name plates and/or goods bearing the API Starburst, the name and mark American Petroleum Institute, the name and mark API, any confusingly similar or dilutive marks or names, and any other indicia of API, and the means of making the counterfeit goods, pursuant to 15 U.S.C. § 1118.

G. Ordering Defendants to immediately issue corrective advertising and immediately notify in writing each purchaser of counterfeit and/or infringing goods, advising them that Defendants' counterfeit and infringing products were not certified or licensed by API, that

Defendants used the API Starburst and API Donut, the name and mark American Petroleum Institute, the name and mark API, API's SC designation, and any confusingly similar or dilutive marks or names without the authorization or knowledge of API, and that the motor oils do not meet the requirements of API's SM designation, or any other "S__" designation.

H. Awarding API treble damages pursuant to 15 U.S.C. § 1117.

I. Awarding API its attorneys' fees in this action pursuant to 15 U.S.C. § 1117 and other applicable laws.

J. Awarding API its pre- and post- judgment interest.

K. Awarding such other relief as this Court may deem appropriate.

Respectfully submitted,

Dated: July 11, 2013

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